

PROPERTY OF BUSINESS PLANNERS

ICE PLANT FEASIBILITY STUDY (Bulacan)

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FEASIBILITY STUDY



ICE PLANT



, INC.
Bulacan



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◆ FINANCIAL PROJECTIONS

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- ◆ Securities and Exchange Commission (SEC) Registration Certificate
- ◆ Location Map
- ◆ Quotation Sheet from Equipment Supplier

I. EXECUTIVE SUMMARY

ARILAO REFRIGERATION SERVICES, INC. (ARI) was established with the objective to produce and provide Ice Blocks for retailers and major institutions operating in Marilao, Bulacan and contiguous municipalities.

Since its inception on January 2004, **ARI** consistently kept abreast with the required standards set by its clientele. Thus, **ARI** has maintained a strong customer based that has depended on the output of the Company.

Currently, **ARI** is producing an average of 400 of block ice per day sold at an average price of Php 155.00 per block. Current customers are local retailers and major institutions, including **ARMA**, which has a standing arrangement with **ARI** twenty (20%) percent of its block ice requirements from **ARI** plant in Marilao, Bulacan.

To keep pace with the strong market demand for Block Ice, **ARMA Resources, Inc.**, has opted to increase its production capacity by acquiring new equipment and refurbishing existing machineries and equipment.

Capitalization for the acquisition of new equipment has been estimated at Php 10.8 Million. This includes acquisition of a new 25 Ton Energy Efficient Block Ice Plant, as well as costs for other related expenses to construct the new facility

Based on projections, with the advent of an increase in capacity, **ARI** will be capable of increasing revenues, as well as increasing net income potentials.

Thus, increasing capitalization for the business is perceived as a feasible business option for ARI.

II. PURPOSE OF THIS DOCUMENT

The objective of the feasibility study is primarily to determine the viability of expanding the production capacity of the existing Ice Plant Facility operated by ~~Artemath Resources, Inc.~~

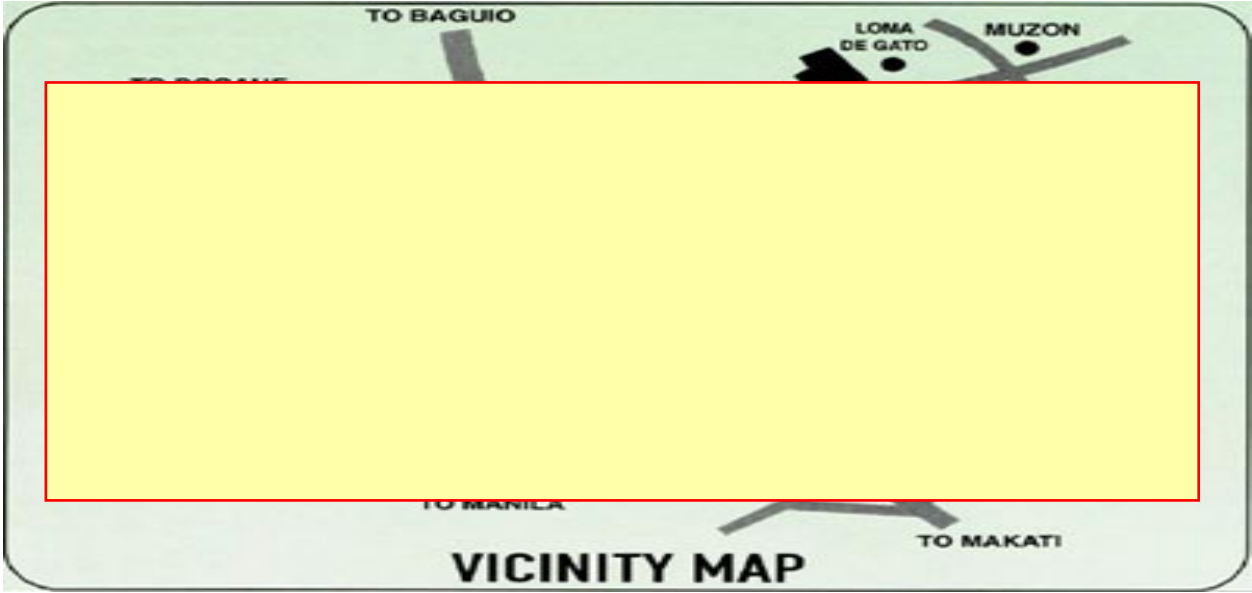
The feasibility study forms the basis of an important investment decision and in order to serve this objective, the document/study covers various aspects of project concept development, start-up, and production, finance and business management.

III. PROJECT PROFILE

1. BRIEF OF THE COMPANY

Registered Name : [Redacted]
Business Office : [Redacted]
Plant Location : [Redacted]
SEC Registration # : [Redacted]
Date Registered : [Redacted]

[Redacted] (INC) is a legal corporation duly registered with the Corporation (SEC). The Company was formally registered 4. [Redacted] for both Local Retailers and Institutional Clients. Present daily [Redacted] ice blocks per day.



Marilao, Bulacan

5. SALES TRENDS

Sales volume, as with most businesses, is seasonal. As such, weather factors are a major part of the business. In summer months, demand is high. In September the temperature begins to drop and the plant reduces production to meet the demand of ice blocks.

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Graph below shows sales volume which is the start of the season. The plant then experienced start-up production and stabilizes by September.

March, then the plant then



6. SALES PERFORMANCE

Since its initial operation, sales volume has increased rapidly. In December 2004, sales volume was approximately 11,000 units.

By started in 2004, sales

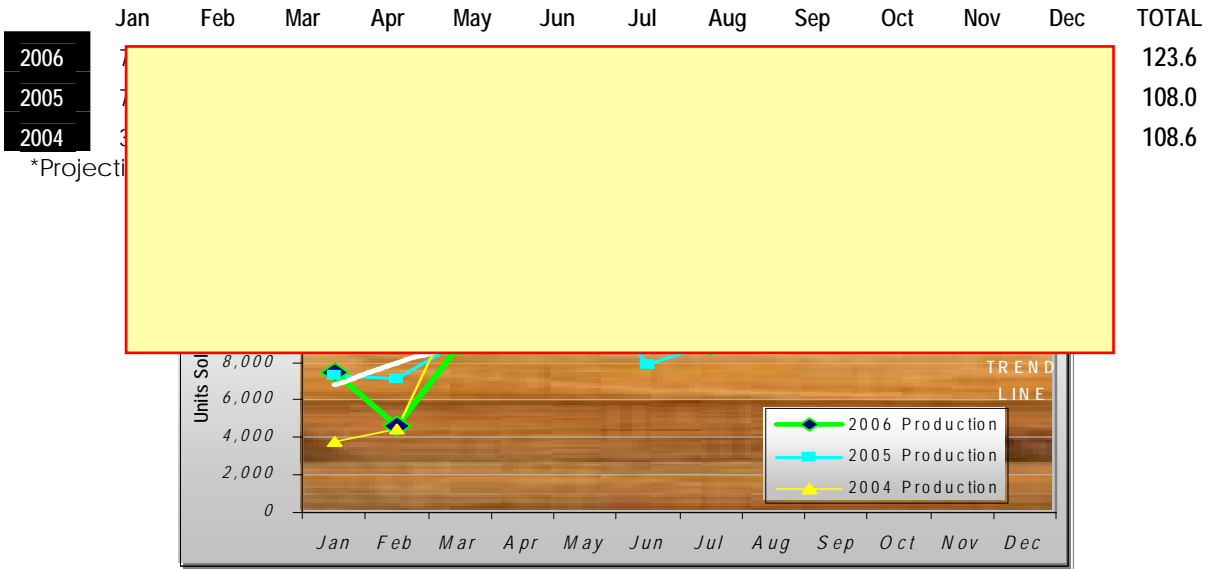
For its second year of operation, sales volume due to increased demand in 2005, the Ice Plant produced a volume of ice blocks of approximately 123,000 units.

By end of the year, sales

By early 2006, the plant's production machinery and equipment were updated. During the last two days of the year, it is estimated that the plant produced approximately 123,000 blocks by the end of the year.

By end of the year, sales volume was approximately 123,000 units.

ICE BLOCK PRODUCTION /SOLD (in '000)



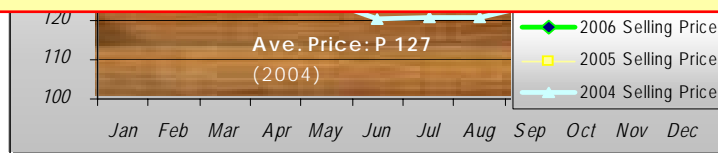
ICE BLOCK PRICES

To keep abreast with the seasonal trends of ice blocks, Management has opted to constantly modify its prices for ice blocks. Based on table below, figures indicates that since sales for ice blocks is relatively highest during summer, prices are reduced to maintain a competitive advantage against other suppliers.

The average price for 2004 was computed at Php 127 per ice block. An increase of 20% in prices was posted by 2005. However, average prices for 2006 increased at minimal levels only to ensure a competitive position/advantage with its existing institutional clients and retail buyers.

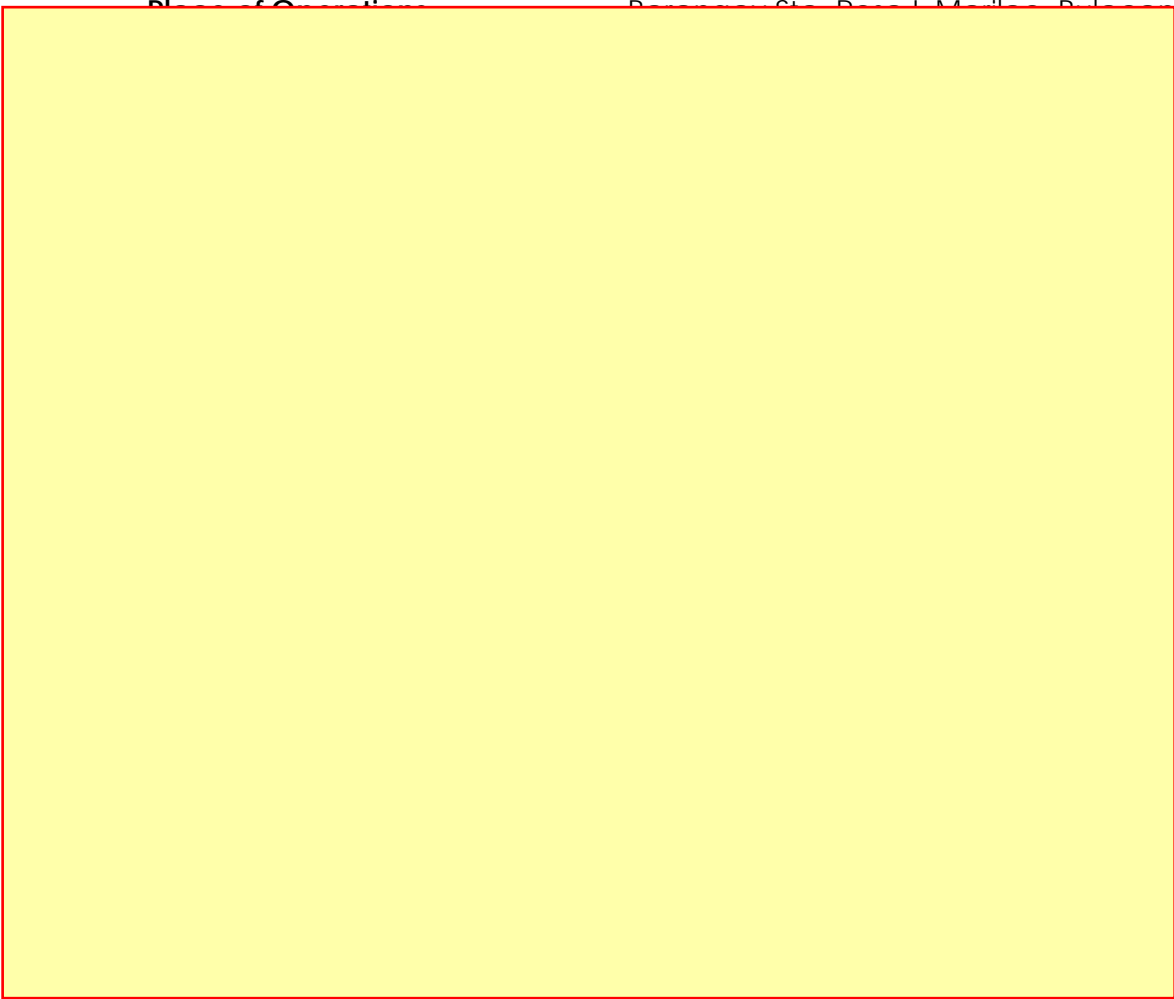
PRICE PER ICE BLOCK (in Php)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave.
2006	160	155	150	145	140	135	130	125	120	115	110	105	155
2005	145	140	135	130	125	120	115	110	105	100	95	90	153
2004	130	125	120	115	110	105	100	95	90	85	80	75	127

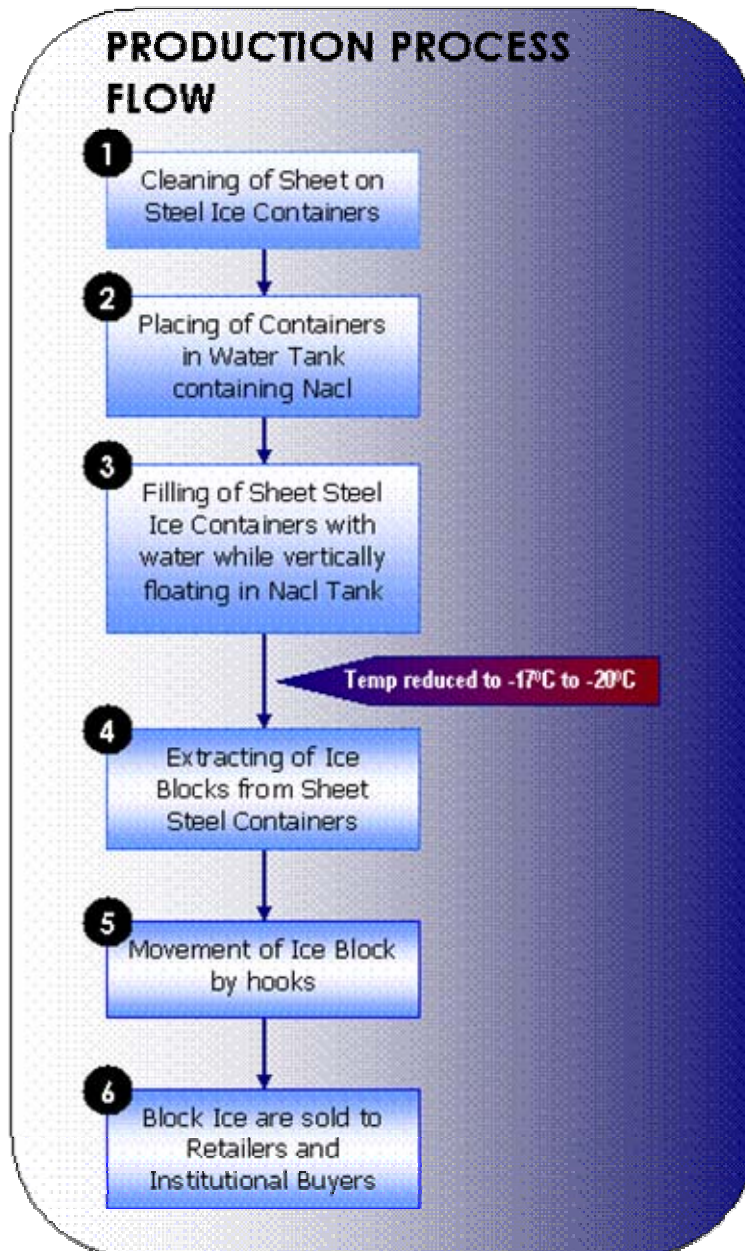


IV. TECHNICAL ASPECT

1. BRIEF OF OPERATIONS



2. PRODUCTION PROCESS

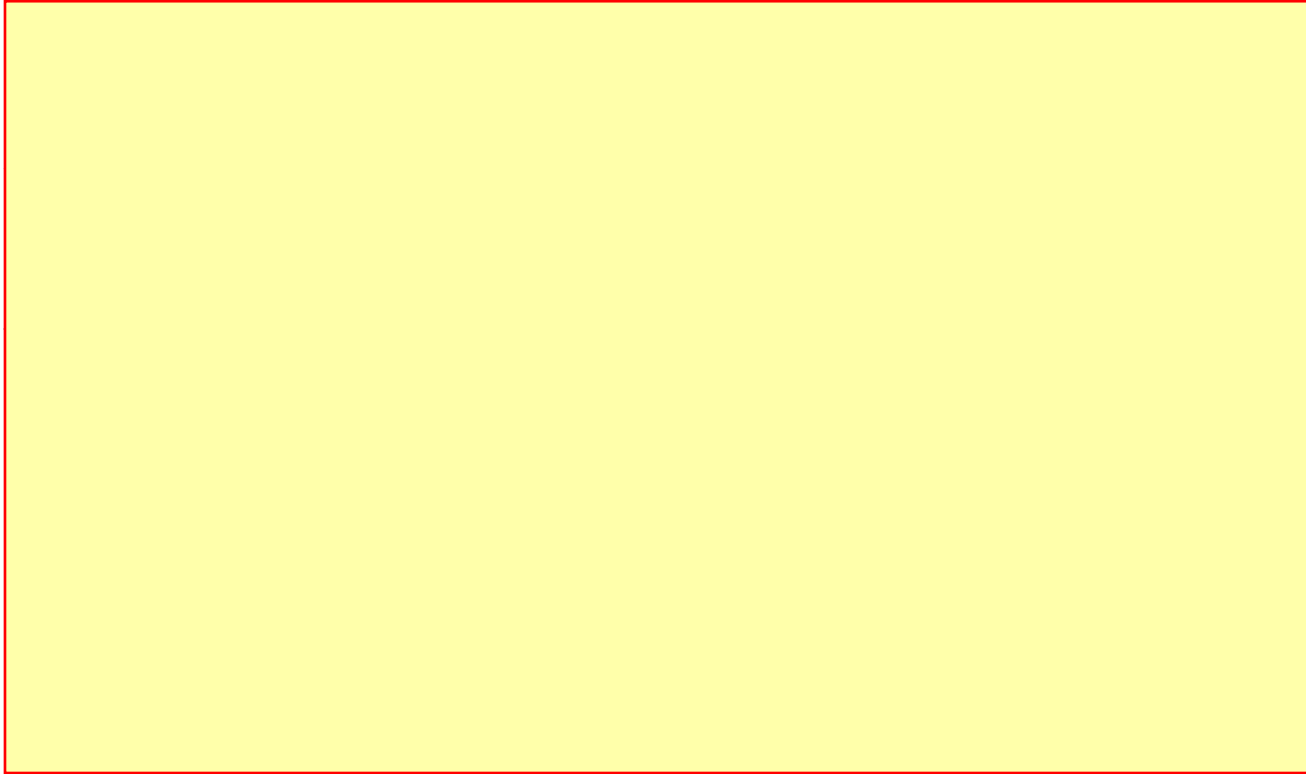


Raw Material Requirements

The basic raw material required for producing ice blocks is water, common salt. These raw materials are readily available in the local market.

Replenishment needed during maintenance are ammonia gas and compressor oil.

V. PRODUCTION CAPACITY IMPROVEMENT



Contact Person: Mr. Nicolas Barajas

NEW MAJOR EQUIPMENT TO BE ACQUIRED

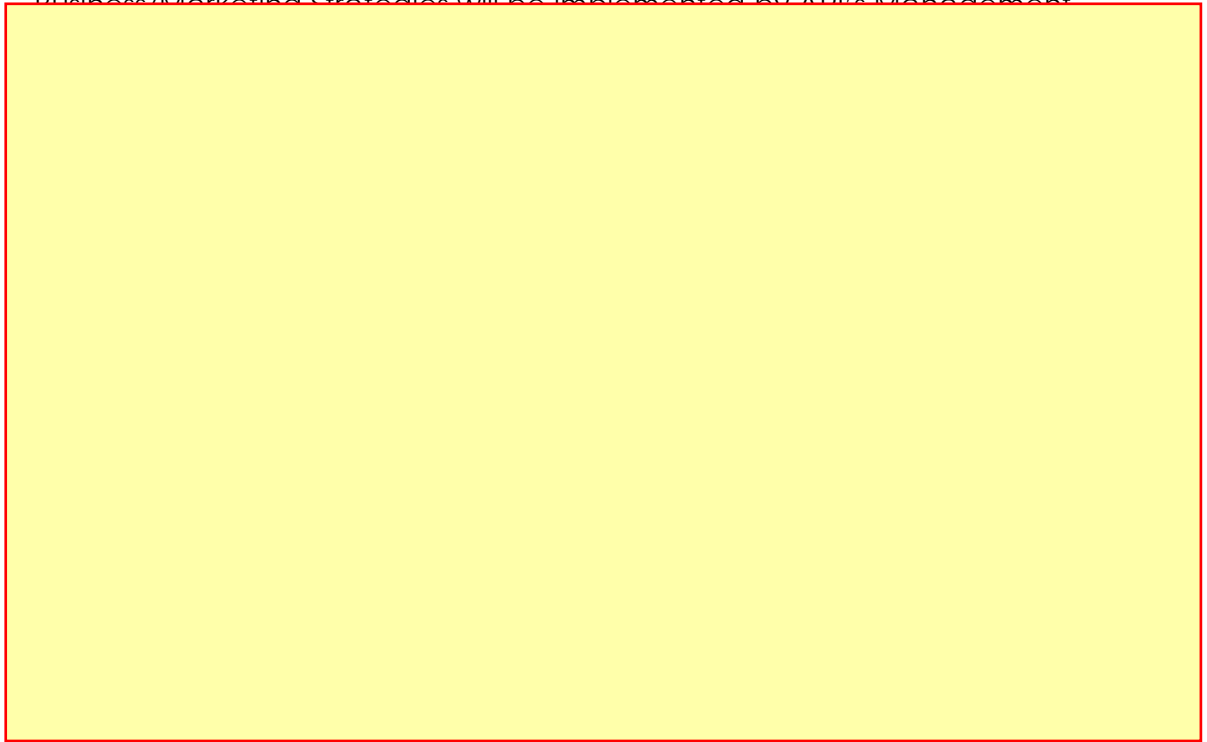
	Description	Qty
1	<i>Grasso 412 ammonia compressor with Accessories</i>	1 set
2	Shell and Tube condenser	1 set
3	Accumulator	1 set
4	Oil Separator	1 set
5	Direct Driven Brine Agitator (7-hp)	1 set
6	Freezing Tank with 6mm side & bottom plates	1 set
7	125mm bottom insulation	1 set
8	Ice Can Filler	1 set
9	Ice Can Dumper	1 set
10	136 kg. Ice Cans	456 pcs
11	Turbulator Capacity Booster	1 set
12	2-Ton motorized Trolley	1 set
13	Hoist Rail Guide	1 set
14	Ice Can lifter and Chain	1 set

	Description	Qty
15	Refrigerant Pipes	1 set
16	Cooling Tower	1 set
17	Condenser Pump	1 set
18	Compressor Motor	1 set
19	V-Belts, base, pulley	1 set
20	Motor control center	1 set
21	Storage Room Coils & Support	1 set
22	Brine Thermometer	1 set
23	Ice Tongs	4 set
24	Condenser Receiver Stand	1 set

Refer to attached Quotation Sheet from Supplier

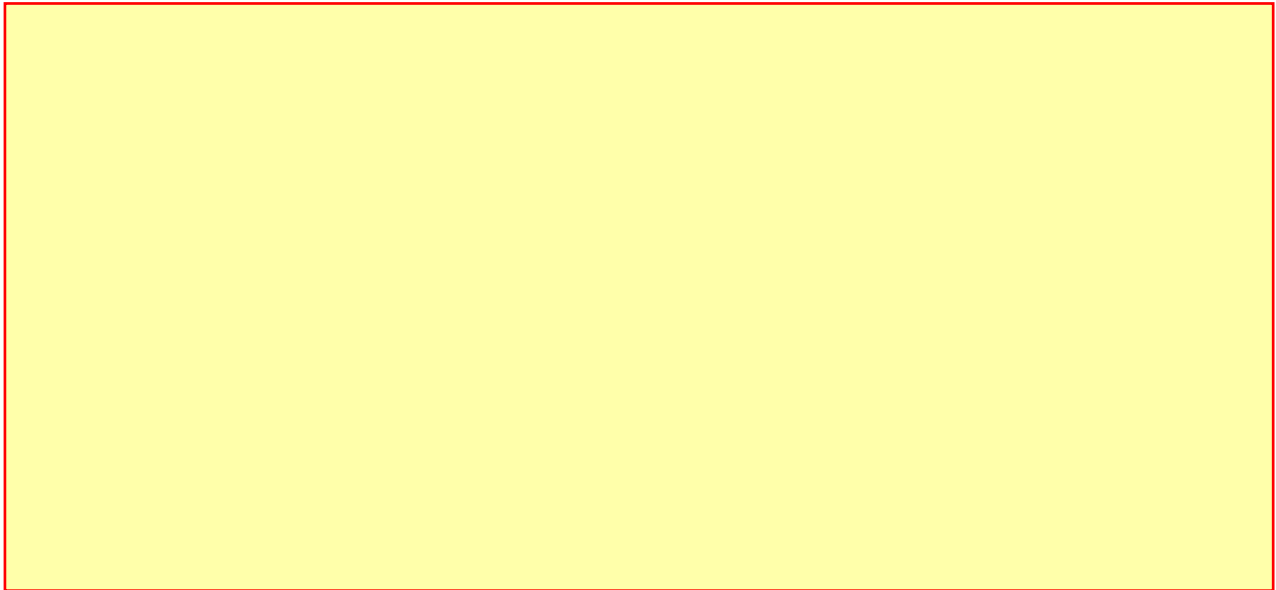
VI. SALES TARGETS & BUSINESS STRATEGIES 2007

Business/Marketing Strategies will be implemented by AP/As Management



	PROJECTIONS				
	2007	2008	2009	2010	2011
# of Blocks Sold	194,499	197,020	199,593	202,217	204,893
Price per Block	Php 162	Php 171	Php 179	Php 188	Php 197
Total Revenues	Php 31.6M	Php 33.6M	Php 35.7M	Php 38.8M	Php 40.4M

VII. SUMMARY OF FINANCIAL PROJECTIONS



YEAR	Yr. 1	Yr 2	Yr. 3	Yr. 4	Yr. 5
In Php					
GROSS SALES	Php 31.6M	Php 33.6M	Php 35.7M	Php 38.8M	Php 40.4M

3. Expected Net Income (After Tax) for the first five years are as follows:

YEAR	Yr. 1	Yr 2	Yr. 3	Yr. 4	Yr. 5
In Php					
Net Income (After Tax)	8.4M	8.9M	9.4M	9.9M	10.5M

4. Payback Period **1.81 years**
5. Internal Rate of Return (**IRR**) is **78 %**

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Partial assistance was provided by Business Planners in the development of the Feasibility Study for [REDACTED]

Business Planners specifically agree, represent and warrant that any information provided by the client will not be disclosed in the course of other professional obligations.

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December 2006

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